

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-110-W/S - ORDER NO. 2005-210
APRIL 26, 2005

IN RE: Petition of the Office of Regulatory Staff to)	ORDER RULING ON
Request Forfeiture of the Piney Grove)	PETITION
Utilities, Inc. Bond and to Request Authority)	
to Petition the Circuit Court for Appointment)	
of a Receiver)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition of the Office of Regulatory Staff (ORS) for a Rule to Show Cause as to why this Commission should not find that Piney Grove Utilities, Inc. (Piney Grove or the Company) has failed to provide adequate and proper service and that the failure has continued for an unreasonable length of time, and for relief in the form of an assessment of penalties against the Company, forfeiture of the entire performance bond on file with the Commission, the filing of a Petition with the Circuit Court for the appointment of a receiver for the Company, and for certain other relief.

Among other things, ORS states that Piney Grove is currently operating as a “public utility” as defined in S.C. Code Ann. Section 58-5-10(3)(Supp.2004), in that it is incorporated for the purpose of providing sewerage collection and sewerage disposal to the public or any portion thereof, for compensation, and that Piney Grove provides sewer service to customers in the Lloydwood and Franklin Park Subdivisions in Richland and Lexington Counties. Further, the Petition alleges that Piney Grove’s stock has now been

merged into Piedmont Water Company, Inc. (Piedmont), and a \$125,000 sewer bond for Piedmont has been established, which is secured by a personal financial statement filed by Reece Williams, owner of both Piney Grove and Piedmont. Further, the Petition alleges that Piney Grove was, as of March 1, 2005, operating a wastewater treatment facility without a South Carolina certified operator of the appropriate grade, and that the South Carolina Department of Health and Environmental Control (DHEC) found that malfunctions of the wastewater treatment facility resulted in the reported overflows of sewage on the ground and into the storm drainage system, and that DHEC found that the nature and amount of spillage of wastewater over the past two years has created a nuisance and health hazard for residents of the Lloydwood subdivision, the adjacent property, and for children playing in the area. In addition, the Petition states that DHEC has found that the flow of wastewater on and about the Lloydwood subdivision, the receiving stream and into the storm drainage system represents an immediate threat to the health and welfare of the residents of both the Lloydwood subdivision and the adjacent subdivisions and their occupants, and that Piney Grove is in violation of certain consent Orders entered into with DHEC.

In addition, the Petition alleges that as evidenced by DHEC consent and emergency orders, Piney Grove has failed to comply with the laws of the state of South Carolina, and that as the result of the Company's failure to comply, it is not providing adequate and proper service as required by S.C. Code Ann. Section 58-5-10, et seq.

Accordingly, ORS petitions this Commission for findings of inadequate service and for relief under Sections 58-5-710, 58-5-720, and 58-5-730 (1976 and Supp. 2004),

which allow this Commission, upon making certain findings, to assess monetary penalties against the Company, to declare the Company's performance bond forfeited, and to petition the Circuit Court for a receivership, respectively, and for certain other relief. ORS also requests a hearing on these matters as soon as is practicable, and that this Commission waive its rules requiring the prefilings of testimony for certain witnesses who are members of the general public and who will be called to testify by ORS.

This Commission has carefully considered the ORS Petition and believes that the matters alleged therein are extremely serious, and, if found to be true as filed, constitute a major matter of public concern. Therefore, we hereby grant the Petition for a Rule to Show Cause as detailed *infra*. A hearing shall be held on **May 26, 2005, at 10:30 AM** in the Commission hearing room for the Company to show cause why it should not be held that the Company has failed to provide adequate and proper service and why it should not be held that any such failure has continued for an unreasonable length of time. Further, the evidence at that hearing should address the propriety of this Commission assessing penalties against Piney Grove, the propriety of ordering forfeiture of Piedmont's entire performance bond, and the reasonableness of the filing of a Petition with the Circuit Court for appointment of a receiver for the Company.

We deny ORS' request to waive the Commission rules requiring the prefilings of testimony for certain witnesses who are members of the general public and who will be called to testify by ORS. ORS has made no showing of unusual hardship or difficulty under 26 S.C. Code Ann. Regs. 103-803, nor has it shown how such a waiver would be in the public interest.

We hereby set the following dates for prefiling of testimony and exhibits. ORS shall file and serve its testimony and exhibits by the Commission's close of business in electronic and written form on **May 12, 2005**. Any responsive testimony and exhibits shall be filed and served in written and electronic form by the Commission's close of business on **May 19, 2005**.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice Chairman

(SEAL)